# FAIRCHAIN ACTIVITIES ANNUAL PLAN 2021

ababeh (24 years) - roaster and grinder







# CONTENT

1	INTRODUCTION	4
2	ACTIVITIES	6

# **VISION**

FairChain Foundation (ANBI). The foundation aims to: develop, implement and promote and monitoring the application of the Fair Chain principles as well as the acquisition and management of (financial) resources for the benefit of this and furthermore all that is or can be useful to this goals.

'In today's world, multinationals sell premium products, colossal profits, made from valuable commodities, extracted at low prices in developing countries. Big companies have over the last centuries established a power imbalance, leaving nearly no room for developing countries to grow their economies, even though their land hosts many valuable goods, like coffee, cocoa and tea. Development aid has for a long time tried to compensate for the lack of profit in developing countries, trying to bridge the gap created by unfair trade. However, we are convinced the new economy brings an opportunity for all kinds of inclusive business models, which combine entrepreneurial competitiveness with social impact. This means businesses move far beyond corporate social responsibility and towards corporate shared value. And we look beyond development aid towards social entrepreneurship. We choose Trade over Aid.

# **MISSION**

We believe in disrupting conventional value chains, to turn all types of business in social enterprises. They can create an inclusive business model, leaving more value in the developing country of product origin. By creating more value and paying fair prices to producers in these countries, social enterprises can truly shift the balance in value chains.

# IINTRO

"This year we will focus on getting the FairChain tech platform market ready with existing partners and donors."

Ronald, FairChain Tech

## Fikerte (27 years) - cleaner



### PROJECTS 2021-2022

DE FAIRCHAIN STICHTING IS REEDS BETROKKEN IN EEN AANTAL PROJECTEN EN ZAL BIJ SUCCESVOLLE WERVING ADDITIONELE FONDSEN MEER PROJECTEN KUNNEN ONDERSTEUNEN. DE PROJECTEN ZULLEN WORDEN INGEDEELD IN EEN VAN DE 3 IMPACT DRIVERS DIE DE STICHTING NASTREEFT 1. ECONOMISCHE IMPACT, 2 SOCIALE IMPACT, 3 ECOLOGISCHE IMPACT.

Join FairChain Revolution! Guido van Staveren van Dijk FairChain Founder



### 1. United Nations Development Program - The other Bar

### https://www.theother.bar/

**UNDP** works in about 170 countries and territories, helping to achieve the eradication of poverty, and the reduction of inequalities and exclusion. We help countries to develop policies, leadership skills, partnering abilities, institutional capabilities and build resilience in order to sustain development results.

UNDP Ecuador and Fairchain Foundation have partnered to develop a first of its kind project in the Latin American Region. To launch in the UK market the first blockchain shared-value chocolate bar made from the best cocoa beans from sustainable farms in the Ecuadorian amazon region; and to design a market driven value chain and impact ecosystem focused on true cost of production, export of value added products (finished products) and market access. In addition to this, we want to implement a best-practice blockchain solution for the Ecuadorian cacao industry, benefiting the sector as a whole.

**FUNDING SOURCE:** UNDP grant. ToB private sector donorship. The project is running and we anticipate to embed the project in an existing private sector

### 2. Amref leap - healthcare financed through consumption

<u>PROJECT PARTNER:</u> Om een inkomen te genereren is een goede gezondheid essentieel. Dit is in veel Afrikaanse

landen allesbehalve vanzelfsprekend omdat er een groot tekort aan medisch personeel is. De Wereldgezondheidsorganisatie (WHO) noemt dit tekort de grootste bedreiging voor de gezondheid in Afrika. Hierdoor overlijden veel mensen aan ziekten die we goed kunnen voorkomen of behandelen. Om dit gat te dichten leidt Amref Flying Doctors Afrikaanse lokale zorgverleners op via Leap, een mobiel platform, dat lokale zorgverleners uitrust met betrouwbare informatie en essentiële vaardigheden. Met Leap kan Amref Flying Doctors direct tienduizenden lokale zorgverleners informeren en trainen via hun simpele mobiele telefoon. Juist tijdens uitbraken zoals Covid-19 zijn zij harder nodig dan ooit.

<u>Short Description of the Project</u> We lanceren samen het innovatieve label "Amref Coffee for Impact". De verkoop van deze koffie draagt bij aan de duurzaamheid van de samenleving in Ethiopië. In onderhavige aanvraag lees je hoe wij het roer radicaal omgooien

**FUNDING SOURCE:** het project zal worden gefinancierd vanuit een 10.000e contributie van Amref en 10.000e budget allocatie vanuit FairChain. De campagne kosten zullen worden gedekt door Amref direct

### 3. Low carbon coffee production

<u>PROJECT PARTNER: Agitera</u> MVO DEDICATES IT SELVES TO SUPPORTING A SUSTAINABLE AND INTERNATIONALLY COMPETITIVE SUPPLY AND DISTRIBUTION CHAIN. <u>COOPCHEBI</u>: IS A COOPERATION IN PERU THAT RECENTLY STARTED WITH VALUE ADDING ACTIVITIES BASED ON PRODUCTS COMING FROM THE INCAN FORESTS.

SHORT DESCRIPTION OF THE PROJECT in de koffie- en thee-regio 'Kericho' zullen de komende drie jaar maar liefst 7.200 boeren gaan ondersteunen in een transitie naar Low Carbon Coffee. Voor de boeren betekent dit dat ze volledig stoppen met het gebruik van kunstmest en in plaats daarvan lokaal geproduceerde biocompost gaan gebruiken. Het verbouwen van groente en andere gewassen zal zorgen voor extra bronnen van inkomsten en verbetering van de biodiversiteit en ons FairChain model, waarin we hogere prijzen betalen voor de koffie, moet leiden naar een leefbaar inkomen voor de koffieboeren.

<u>FUNDING SOURCE:</u> In dit door de RVO ondersteunde SDGP-project, werken we in een consortium van 5 partijen. Moyee is leadpartner, lokale NGO Agriterra zorgt voor training en boots on the ground en het Keniaanse koffie-onderzoeksinstituut Kalro doet bodemonderzoek en ondersteunt het project met technische koffiekennis. Stichting FairChain verzorgt de digitalisering van alle boeren en bouwt het blochchain platform waarop de voortgang en behaalde resultaat worden gerapporteerd. Coffee Union KDCU is met zes geselecteerde boerencoöperaties, de vijfde en belangrijkste partner.

### 4. Child labor free supplychain

PROJECT PARTNER: UTZ STANDS FOR SUSTAINABLE FARMING AND BETTER OPPORTUNITIES FOR FARMERS, THEIR FAMILIES AND OUR PLANET. THE UTZ PROGRAM ENABLES FARMERS TO LEARN BETTER FARMING METHODS, IMPROVE WORKING CONDITIONS AND TAKE BETTER CARE OF THEIR CHILDREN AND THE ENVIRONMENT. BODENSEE STIFTUNG: THE LAKE CONSTANCE FOUNDATION IS A PROJECT- ORIENTED ORGANIZATION FOR NATURE CONSERVATION. IT WORKS TOWARDS SUSTAINABLE ECONOMY IN THE INTERNATIONAL LAKE CONSTANCE AREA AND BEYOND. DEDESSA AGRICULTURE AND AGRO INDUSTRY DEVELOPMENT PLC THIS IS AN UTZ CERTIFIED COMMERCIAL FARM IN LIMU AREA THAT CAN ACT AS THE DEMO FARM, WHERE THE BEST AGRICULTURAL PRACTICES WILL BE TESTED AND SELECTED. FROM THERE, THE TRANSFER TO THE SMALLHOLDER COFFEE FARMS WILL BE DONE.

<u>SHORT DESCRIPTION OF THE PROJECT</u>. The FC approach is focused on creating a living income for smallholder farmers and laborers in the coffee supply chain. This project adds a dimension to this approach by creating Child Future Proof Coffee Chains (CFPCC) which aims at:

- a) Eradication of child labour, child trafficking and all forms of modern slavery; and
- b) Offering a future for children in coffee sourcing areas.

Our main interventions will be:

- Together with our (local) experts Hope for Justice In Ethiopia and.in Kenya, we carry out a further Local Impact Research, where we identify potentially vulnerable groups and other parties and stakeholders involved and we will analyze the situation of child labor in the coffee sourcing areas of Moyee/FC in Kenya and Ethiopia. This includes a stakeholder-analysis to assess the potential engagement and roles of various companies, organizations and authorities in preventing and combatting child labor. The analysis also involves an examination into the root causes of child labor, examining the underlying causes that may increase child labor (see result 1 and result 3 of the RfW).
- Local field survey: HfJ and, ..... and ..... will also check if the production chain of Moyee/FC involves child labour (see result 2 in the RfW).
- Analysis of internal business processes and determining the extent to which Moyee/FC processes prevent child labour and further developing the Theory of Change and inte-grating child labour policies in the FC approach and internal business processes (see re-sult 4).

**FUNDING SOURCE:** EACH ORGANISATION BEARS IST OWN COST DURING THE APPLICATION PHASE. A DETAILED BUDGET HAS BEEN SUBMITTED LEADING TO A POTENTIAL GRANT FO 400.000 GRANT FROM THE fbk PROGRAM THAN WILL COVER THE COST OF THE PROJECT THAT WILL LAST 3 YEARS.

### 5. ACR AFRICAN COFFEE ROASTER LTD

HTTP://AFRICANCOFFEEROASTERS.COM/

PROJECT PARTNER: ACR IN 2015 COOP DENMARK DECIDED TO BUILD A COFFEE ROASTING FACILITY IN KENYA. THE IDEA WAS TO SHORTEN THE SUPPLY CHAIN FROM COFFEE SUPPLIERS TO COFFEE CONSUMERS. IN JANUARY 2016, AFRICAN COFFEE ROASTERS EPZ LIMITED WAS BORN ITS GOALS ARE TO BUILD A COFFEE ROASTING FACILITY IN KENYA, OWNED BY COFFEE COOPERATIVES AN TO PRODUCE SHELF READY PRODUCTS FOR EUROPEAN CONSUMERS DIRECTLY IN THE COUNTRY OF ORIGIN THEREBY CREATING JOBS AND BOOSTING EARNINGS TO IMPLEMENT AN ELECTRONIC TRACEABILITY PLATFORM SPANNING FROM COFFEE FARMER TO COFFEE CONSUMER

SHORT DESCRIPTION OF THE PROJECT THE FAIRCHAIN FOUNDATION IS ASKED TO ADVISE ON HOW TO SET UP THE ORGANISATION, ITS RELATIONSHIP WITH FARMERS AND DEVELOP A MARKET ACCESS STRATEGY FOR ITS VALUE ADDED PRODUCTS OUTSIDE ITS OWN RETAIL CHANNEL. AIM IS TO INTRODUCE THEIR PRODUCTS UNDER THE FAIRCHAIN LABEL IN 2021.

**FUNDING SOURCE:** EACH ORGANISATION BEARS IST OWN COST DURING THE ANALYSIS PHASE. TRAVEL COST WILL BE COVERED BY ACR. IN 2018 WE HOPE TO GENERATE ENOUGH FUNDING TO HELP THE LOCAL PARTNER IN KENIA SETTING UP ITS ACTIVITIES IN COMPLIANCE WITH THE FC PRINCIPLES. AS OF 2019 ACF IS EXPECTED TO BECOME A NET CONTRIBUTOR TO THE FOUNDATION IN THE NETHERLANDS

### 6. **AMOR PERFECTO**

HTTPS://WWW.CAFEAMORPERFECTO.COM HTTPS://WWW.CBI.EU/PROJECTS/SPECIALTY-ROASTED-COFFEE-COLOMBIA/

PROJECT PARTNER: AMOR PERFECTO: IS A COLOMBIAN COFFEE ROASTING FACILITY, THAT PRODUCES COFFEE FOR THE LOCAL MARKET, BUT IS INTERESTED IN EXPORTING COFFEE ON A LARGE SCALE. AMOR PERFECTO HAS THE MISSON TO INCREASE THE LOCAL KNOWLEGDE ON QUALITY COFFEE, TO INCREASE ITS COUNTRY'S VALUE ADD. THE GREEN COFFEE BEANS ARE PURCHASED FROM LOCAL COOPERATIVES AND BOUGHT AT A PREMIUM PRICE. PROJECT SUPPORT: CBI DEDICATES IT SELVES TO SUPPORTING PRIVATE COMPANIES IN DEVELOPING COUNTRIES TO EXPORT TO EUROPE. SPECIFICALLY WITH COLOMBIA CBI HAS A PROGRAM TO PROMOTE LOCALLY ROASTED COFFEE FOR EXPORT

SHORT DESCRIPTION OF THE PROJECT THE FAIRCHAIN FOUNDATION HAS PARTICIPATED IN WORKGROUPS SESSIONS AND TRADE FAIRS ORGANIZED BY CBI ORGANIZED FOR MULTIPLE ORGANIZATIONS FROM COLOMBIA. WHEREAS THE CBI HAS SUPPORTED THE COMPANIES WITH MARKET INFORMATION, THE FAIRCHAIN FOUNDATION POSSESSES THE KNOWLEGDE ABOUT WESTERN TASTE ASPECTS AND QUALITY AND LOGISTICS REQUIREMENTS FOR EUROPE. THE FAIRCHAIN FOUNDATION IS ASKED TO SUPPORT AMOR PERFECTO WITH THESE ASPECTS.

FUNDING SOURCE: EACH ORGANISATION BEARS IST OWN COST DURING THE ANALYSIS PHASE. TRAVEL COST WILL BE COVERED BY AMOR PERFECTO. IN 2021 WE HOPE TO GENERATE ENOUGH FUNDING TO HELP THE LOCAL PARTNER IN COLOMBIA SETTING UP ITS ACTIVITIES

IN COMPLIANCE WITH THE FC PRINCIPLES. AS OF 2021 AMOR PERFECTO IS EXPECTED TO BECOME A NET CONTRIBUTOR TO THE FOUNDATION IN THE NETHERLANDS

# FC TECH

Business plan objectives	Tech Plan and objectives
Dapp 1	
Dapp 1 validated by a potential new client	Complete FairChainTech product website Prepare Onboarding Guide
WordPress widgets for DIY implementation (market readiness goal)	Upgrade farmer dashboard, livefeed and provenance to DIY widgets for WordPress based on the existing templates/API
Radical Transparency for consumers	Implementation and UAT of public layer (market rollout Q2 forward)
Secure solution compliant with GDPR	External audit / pentest on FairChainTech systems and applications
BlockChain landscape distributed	3 from 5 nodes hosted by other parties than FairChain. Both BlockChainLab and Ledger Leopard approved being part of the Node Network.  Concrete action: transfer the Virtual Machine to the hosting from the Network Partner.
Dapp 2	
First mile wallet (loan) #1	Create market-driven template for the Consumer Wallet. This will facilitate the Keep functionality to create an engaging customer loyalty experience. Customer can collect tokens and spend them on their disposal to selected impact programs.

+	Our launching customer Moyee will use this to enable customers to collect rees, plant them in their virtual garden and spend the tokens at their disposal.		
# 1000 first mile wallets	Consumer will be provided access to their wallets as well as integration in the MyMoyee portal. The latter require some identity integration between Moyee Webshop and Blockchain. This will be a light-weight solution using user-mapping in the Fairchain Identity Solution.		
Webshop integration that enable consumer to earn and buy Loyalty tokens	Based on existing API an widget/template will be developed to release tokens to customers based on their transactions		
#1NGO set up license 25k	Setup of Amref healthcare impact goal. The tokenflow will be based on Moyee subscription sales.		
Dapp 3			
# 2 loyalty program implementation	See above for Amref		
	Will decouple the token flow and feedback loops from blockchain platform.		
# 2 loyalty programs run	Tokens are created on platform and the connection with the consumer and farmer is done on platform. All communication with customer will be done outside platform using best-practice e-mail solutions like CM Commerce		
Tokenized marketing budget 50k			

FairChainTech 2021 objectives	Realized
Dapp 1	
	- System Landscape in production grade
Core Network to production grade	- Still the 2 node partner (hosting total 3 nodes) has to be done in Q1 2021
Core Network Policies	- Policies are available and subject to implementation in Node Network (See above)
Farmer Data available	- Delivered in full
Proof of payment to farmers available	- Delivered in full

GDPR compliance	- Minimal requirements completed
GitHub available	- Basic setup is done
Security Improvement (OWASP compliance)	- Completed
Secure QR codes (non-predictable URL of tokens)	- Completed
Penetration Test by external auditor	- Not completed (due Q1 2021)
API Playbook	<ul><li>Full documentation is available.</li><li>To be setup in online catalogue (due Q1 2021)</li></ul>
Dapp 2	
Farmer Wallets available with both asset and loyalty tokens	<ul><li>Tech completed</li><li>User Interface to be optimized for low-tech phone usage</li></ul>
Farmer Wallets created	- Following the project with Moyee and UNDP to date over 1300 wallets has been created
Dapp 3	
Impact Program: Microloan	- In cooperation with GIZ
Impact Program: Tree Planting	<ul> <li>Market Introduction with Moyee in Albert Heijn (currently 2000 trees contributed)</li> <li>The Other Bar phase 2 with UNDP (currently 1400 tokens contributed)</li> <li>German Treeplanting flow with Moyee</li> <li>Free Tree demand generation solution with Moyee</li> </ul>
Digitized Proof of Impact (trees)	<ul><li>110.000 digital assets captured for Moyee</li><li>500 digital assets captured with UNDP</li></ul>
Personal Impact Dashboard	- Over 3500 created

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